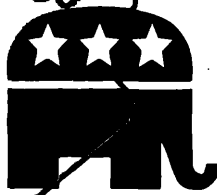


Orange County Republican Committee



14 Railroad Avenue
Chester, NY 10918

Phone: (914) 469-5200
Fax: (914) 469-5211

October 26, 1998

Federal Elections Commission
General Counsels Office
999 E Street NW
Washington DC 20463

MUR 4843

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
OCT 28 10 51 AM '98

Gentlemen:

Please accept the enclosed complaint against Rep. Maurice Hinchey, 26th District, New York.

Very truly yours,


John S. Hicks

Chairman
JOHN S. HICKS
986-1343

1st Vice Chairman
JOSEPH G. MASI
343-5493

2nd Vice Chairperson
JOAN H. WOLFE
342-1274

Secretary
SHIRLEY A. JENSEN
294-6419

Treasurer
DAVID C. GREEN
562-1529

21-04-403-40-12

Complaint Before the Federal Election Commission

NOW COMES **John S. Hicks, Chairman of the Orange County Republican Committee, who resides at 29 Oakland Avenue Warwick NY 10990**, alleging multiple violations of federal election law by Democrat Maurice Hinchey. This Complaint is brought pursuant to 2 U.S.C. § 437g(a)(1). Mr. Hicks may be reached during business hours at **(914) 469-9100**.

SUMMARY:

Mr. Hinchey has knowingly violated federal law by refusing to refund illegal campaign contributions -- \$43,000 from the subsidiary of a foreign company. The law requires candidates to disgorge ill-gotten gains within 30 days. Hinchey has kept the illegal \$43,000 for more than 19 months.

THE LAW:

Federal election law obligates candidates to return illegal contributions within 30 days of learning of their illegality. *11 C.F.R. § 103.3(b)(2)*. These unlawful funds must be refunded, either to the actual contributor or the United States Treasury. *See FEC Advisory Opinion 1996-5 (attached, holding a U.S. Representative must refund illegal campaign contributions . . . made by employees of the corporation, which then fully reimbursed the employees.)*. The Commission takes failure to refund illegal donations very seriously, fining the Florida Republican Party \$82,000 for this offense just this year. *See FEC Matter Under Review 4398*.

THE FACTS:

Maurice Hinchey is the Democratic candidate for United States Congress in the 26th District of New York. Friends of Maurice Hinchey is his principal campaign committee (FEC ID No. C00272633).

Maurice Hinchey won election to Congress in 1992 thanks to \$70,000 in illegal contributions. These unlawful donations came from two sources: \$27,000 from Besicorp Inc. and \$43,000 from Ansaldo North America, Inc. Besicorp CEO Michael Zinn pled guilty to making illegal campaign contributions on June 19, 1997, and was sentenced to six months in federal prison. *See Davidson, "Zinn Denies Running Besicorp From Jail," Daily Freeman, May 20, 1998 at 1 (attached)*. Andaldo North America Inc. pled guilty to the campaign finance violations on March 24, 1997, and the company paid a \$200,000 fine. *See Margolin, "Tainted Cash Aided Hinchey," The Times Herald-Record, Mar. 25, 1997 (attached)*.

Hinchey returned Besicorp's illegal \$27,000 contribution on April 8, 1998 -- nine months too late under the law. And **Hinchey has still not returned the illegal \$43,000 he received more than six years ago, even though he has conclusively known of the illegality for over 19 months!** Hinchey knows these funds are illegal -- his donors pled guilty in federal court. Hinchey's refusal to part with Ansaldo's illegal \$43,000 violates federal law. *11 C.F.R. § 103.3(b)(2)*.

21-04-403-0471

PRAYER FOR RELIEF:

There is nothing to investigate here – the donors pled guilty in 1997 and Maurice Hinchey knows it. His stubborn refusal to part with his ill-gotten gains violates federal law as interpreted in Advisory Opinion 1996-5. Hinchey's violation of law here is clearly knowing and willful, and the Commission's decision not to investigate Hinchey's involvement in the receipt of the funds does not permit him to retain them.

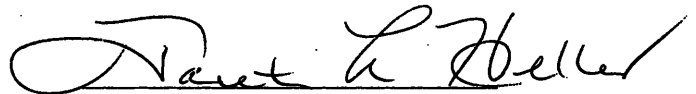
The Commission should punish the Hinchey campaign for keeping thousands of dollars that it knows are illegal. The Federal Election Campaign Act provides for penalties of up to \$25,000 or 300 percent of any contribution involved in a knowing violation of the law. Complaint respectfully submits that the appropriate penalty here is 300% of the violation – \$129,000 – considering Hinchey's refusal to comply with the law for 19 months and counting.

Respectfully Submitted,


John S. Hicks

State of New York
County of Orange

Sworn and subscribed to before
me this 26th day of October, 1998



NOTARY PUBLIC

My commission expires:

JANET A. HELLER
NOTARY PUBLIC, State of New York
No. 01HE5018155
Qualified in Orange County
Commission Expires Sept. 20, 1999

21-04-403-0472

PRAYER FOR RELIEF:

There is nothing to investigate here – the donors pled guilty in 1997 and Maurice Hinchey knows it. His stubborn refusal to part with his ill-gotten gains violates federal law as interpreted in Advisory Opinion 1996-5. Hinchey's violation of law here is clearly knowing and willful, and the Commission's decision not to investigate Hinchey's involvement in the receipt of the funds does not permit him to retain them.

State of New York
County of Orange

Sworn and subscribed to before
me this 26th day of October, 1998

Respectfully Submitted,


John S. Hicks



NOTARY PUBLIC

My commission expires:

JANET A. HELLER
NOTARY PUBLIC, State of New York
No. 01HE5018155
Qualified in Orange County
Commission Expires Sept. 20, 1999

21.04.403.0473